period of one (i) year from the Closing Date other than any dismissal or termination of employees of the Company from their employment in accordance with the applicable staff regulations and standing orders of the Company or applicable Law.

(f) Notwithstanding anything to the contrary in this Agreement, but subject to sub-clause (e) above, any restructuring of the labour force of the Company shall be implemented in the manner recommended by the Board and in accordance with all applicable laws.

(g) Notwithstanding anything to the contrary in this Agreement, but subject to sub-clause (e) above, in the event of any reduction of the strength of the Company's employees the SP shall ensure that the Company offers its employees, an option to voluntarily retire on terms that are not, in any manner, less favourable than the voluntary retirement scheme offered by the Company which is referred to in Schedule 7.4 of the Share Purchase Agreement.

Reference of Modern Food Industries Ltd. to BIFR

13. SHRI DIPANKAR MUKHERJEE:
SHRIMATI CHANDRA KALA PANDEY:

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Modern Food Industries Ltd. (MFL) has been referred to BIFR after disinvestment;

(b) if so, the reasons therefor and the relief and concessions asked for by the new promoter (HLL) from Government agencies for revival;

(c) whether the relief and concessions taken into account would mean further undervaluation of MFL's assets; and

(d) if so, the steps taken by Government in this regard?

THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Since the accumulated loss of Modern Food Industries (India) Ltd. (MFIL) at the end of the financial year 1999-2000 resulted in the erosion of more than 50% of its peak net-worth during the immediately preceding four financial years, MFIL had to file a report of this

erosion with the BFIR as per the provisions of Sick Industries Companies (Special Provision) Act, 1985.

(b) Hindustan Lever Limited (HLL) has not asked for any relief and concession for revival of MFIL and has, instead, stated that, notwithstanding the erosion of networth, with the management and funding of HLL on their own, the Company (MFIL) will show a turnaround.

(c) and (d) Do not arise in view of reply to (a) and (b) above.

News-Item "Government short changed itself in Modern sale, says CAG"

14. SHRI DIPANKAR MUKHERJEE: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government's attention has been drawn to the newsitem captioned "Government short changed itself in Modern sale, says CAG" in the Times of India dated 29th June, 2001 regarding Modern Food Industries Ltd.;

(b) if so, Government's reaction thereto;

(c) whether CAG has suggested depreciated replacement cost would have been the most appropriate method to value plant and machinery which was not adopted by Government;

(d) if so, the reasons therefor;

(e) whether plant and machinery of Modern Food Industries Ltd. was not valued at all; and

(f) whether the same machinery is still being run by Hindustan Lever Ltd.?

THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Yes, Sir.

(b) The observations made in the preliminary report of CAG have been replied in detail by Government.

(c) to (f) The plant and machinery being used by Modern Food Industries (India) Ltd. (MFIL) was mostly of 60's and 70' vintage and is obsolete and therefore, assignment of any replacement value to